

Message Text

CONFIDENTIAL

PAGE 01 MADRID 05210 111123Z
ACTION EUR-08

INFO OCT-01 ISO-00 SS-14 NSC-05 NSCE-00 SP-02 INR-05
CIAE-00 TRSE-00 EB-04 PRS-01 OMB-01 SSO-00 INRE-00
/041 W

-----004376 111130Z /20

O 111045Z JUL 77

FM AMEMBASSY MADRID

TO SECSTATE WASHDC IMMEDIATE 953

INFO AMEMBASSY PARIS IMMEDIATE

USINFO WASHDC IMMEDIATE

USOFFICE RFC PARIS IMMEDIATE

C O N F I D E N T I A L MADRID 5210

USOECD

E.O. 11652: GDS

TAGS: EFIN, SP

SUBJECT: BANK OF SPAIN CLOSES ITS FOREIGN EXCHANGE MARKET

REFZC MADRID 5198

1. THE BANK OF SPAIN DID NOT OPEN ITS FOREIGN EXCHANGE MARKET THIS MORNING. THIS UNUSUAL ACTION IS NOT THE LESS SIGNIFICANT BECAUSE PRICES IN THIS "MARKET" ARE IN FACT DETERMINED BY THE BANK OF SPAIN. IN THE ABSENCE OF THIS MARKET, MAJOR TRADING OF THE PESETA HERE WILL BECOME NEXT TO IMPOSSIBLE. THE BANK OF SPAIN HAS INFORMED US THAT THIS ACTION IS RELATED TO THE IMPORTANT ECONOMIC ANNOUNCEMENTS EXPECTED TODAY. NO PUBLIC ANNOUNCEMENT HAS SO FAR BEEN MADE, BUT THE AFTERNOON NEWSPAPER WILL SURELY REPORT THE CLOSING OF THE EXCHANGE MARKET. THE FRANKFURT AND PARIS MARKETS ARE ALREADY AVOIDING PESETA TRADES.

U IT CANNOT BE DETERMINED WHEN THE MARKET WILL REOPEN, BUT BANKERS BELIEVE IT CANNOT REMAIN CLOSED BEYOND THIS WEEKEND.

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IF THE MARKET OPENS BEFORE A SPANISH GOVERNMENT DEPRECIATION OF THE PESETA, THE COSTLINESS OF MAINTAINING THE PRESENT PARITY WILL DEPEND ON WHAT ACTIONS ARE ANNOUNCED TODAY, AND HOW FAST THESE ACTIONS MAY BE TAKEN. STABLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN MARKETS, BANKS, FOREIGN EXCHANGE, CLOSURE OF OFFICES
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MADRID05210
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770245-0846
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770771/aaaackcs.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0129f96d-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1905620
Secure: OPEN
Status: NATIVE
Subject: BANK OF SPAIN CLOSURES ITS FOREIGN EXCHANGE MARKET
TAGS: EFIN, SP, BANK OF SPAIN
To: STATE USOECD
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0129f96d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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